

## Message Text

CONFIDENTIAL

PAGE 01 STATE 056532

12

ORIGIN SNM-02

INFO OCT-01 SS-07 ISO-00 /010 R

66605

DRAFTED BYC S/NM:HRWELLMAN

APPROVED BY: S/NM:HRWELLMAN

----- 042525

R 211523Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY THE HAGUE

AMEMBASSY BUENOS AIRES

AMEMBASSY BELGRADE

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

C O N F I D E N T I A L STATE 056532

LIMDIS

FOLLOWING SENT ACTION SECSTATE INFO ANKARA, GENEVA, DEA HQS  
FROM NEW DELHI MAR 20 REPEATED YOU:

QUOTE

C O N F I D E N T I A L NEW DELHI 3840

LIMDIS

E.O. 11652: GDS

TAGS: SNAR, IN

SUBJECT: NARCITICS: INDIAN OPIUM PRODUCTION (C-ER-4-57945)

REF : STATE 051191

SUMMARY: THE GOI FINANCE MINISTRY BELIEVES THAT ACTUAL OPIUM  
PRODUCTION FOR 1974 WILL BE AT LEAST 50 TONS SHORT OF THE PRE-  
DICTED FIGURE OF 1,100 TONS BECAUSE OF ABNORMALLY COLD WEATHER  
IN DECEMBER AND JANUARY. THE GOI IS EXPECTED TO RAISE THE PRICE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 056532

OF OPIUM TO \$3.20 IN APRIL. THE INDIANS WILL PRABABLY CHOOSE

BETWEEN AN ARGENTINE AND A DUTCH PROPOSAL FOR A SECONDARY POPPY STRAW PROCESSING PLANT. END SUMMARY.

1. EMBOFF DISCUSSED INDIAN OPIUM PRODUCTION FOR 1974 WITH UNDER-SECRETARY R.K. THAWANI OF THE FINANCE MINISTRY. THAWANI INDICATED THAT UNUSUALLY DRY WEATHER OVER THE LAST TWO MONTHS HAD NOT AFFECTED POPPY CULTIVATION IN RAJASTHAN AND MADHYA PRADESH SIGNIFICANTLY, BECAUSE OF THE EXCELLENT RAINFALL LAST AUTUMN. HOWEVER, ABNORMALLY COLD WEATHER IN DECEMBER AND JANUARY HAS CAUSED SOME WILTING OF THE POPPY CAPSULES WHICH CARRY THE OPIUM GUM, AND THAWANI FEARED THAT THIS YEAR'S OPIUM PRODUCTION WILL BE LESS THAN EXPECTED. THE FIELD STAFF OF THE GOI NARCOTICS COMMISSION IS CURRENTLY ASCERTAINING HOW BADLY THE 1974 CROP WILL BE AFFECTED, BUT THE GOI WILL NOT HAVE PRECISE ESTIMATES UNTIL APRIL. THAWANI MADE A ROUGH GUESS THAT THE TOTAL OUTPUT WOULD FALL 50 TO 100 TONS SHORT OF THE PREDICTED FIGURE OF 1,100 TONS. HE WAS ALSO CONCERNED THAT THE MORPHINE CONTENT OF THE GUM OPIUM MIGHT BE SLIGHTLY REDUCED BY THE UNSEASONABLE WEATHER.

2. THAWANI STATED THAT IN APRIL, THE EXPORT PRICE OF INDIAN OPIUM WOULD BE RAISED TO \$3.20 PER MORPHINE UNIT. THIS INCREASE WAS NECESSITATED BY HIGHER PROCUREMENT PRICES FROM THE FARMERS, AND INCREASED STAFF AND TRANSPORTATION COSTS. THAWANI ASSERTED THE GOI WAS NOT TAKING ADVANTAGE OF THE WORLDWIDE OPIUM SHORTAGE AND THAT PROFITS FROM OPIUM WOULD REMAIN CONSTANT.

3. THAWANI NOTED THAT THE GOI HAD NOT BEEN SUCCESSFUL IN DETERMINING HOW TO RAISE THE MORPHINE CONTENT OF GUM OPIUM, BUT INDIAN-SPONSORED RESEARCH IN THIS AREA WAS CONTINUING. HE EMPHASIZED THE INDIAN DESIRE FOR CLOSE COOPERATION WITH THE UN NARCOTICS LABORATORY, BUT DID NOT SEEM PARTICULARLY INTERESTED IN JOINT RESEARCH WITH THE US OR IN US FERTILIZER ASSISTANCE. ALTHOUGH INDIA IS CULTIVATING AN EXPERIMENTAL PLOT OF PAPANVER BRACHTEATUM AT NEEMUCH, THAWANI DID NOT THINK THAT BRACHTEATUM WAS WELL SUITED TO THE INDIAN CLIMATE.

4. THAWANI STATED THAT THE GOI WAS CURRENTLY EVALUATING SECONDARY POPPY STRAW PROCESSING PROPOSALS FROM THE NETHER-  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 056532

LANDS, ARGENTINA, YUGOSLAVIA, AND BELGIUM. THE ARGENTINE AND DUTCH PROPOSALS, WHICH OFFERED 85 TO 90 PERCENT RECOVERY OF MORPHINE FROM THE SECONDARY STRAW, WERE THE MOST FAVORED ALTERNATIVES. THE GOI WILL NOT ALLOW ANY FOREIGN EQUITY PARTICIPATION IN THE POPPY STRAW PLANT, BUT WILL GIVE OPIUM AND DERIVED MORPHINE TO THE DRUG COMPANIES IN EXCHANGE FOR PROCESSING KNOW-HOW.

5. THAWANI SAID THAT THE GOI WAS QUITE SATISFIED BY THE  
OUTCOME OF THE 1974 CND SESSION AT GENEVA, AND HAD BEEN  
PLEASED BY THE COOPERATIVE ATTITUDE OF THE US DELEGATION DURING  
THE CONFERENCE. SINCE THE WORLD SHORTFALL OF MEDICINAL OPIATES  
IS SO LARGE THIS YEAR, AND DEMAND FOR INDIAN OPIUM FAR  
OUTSTRIPS SUPPLY, THE INDIANS ARE NOT CONCERNED ABOUT A  
POSSIBLE RESUMPTION OF TURKISH OPIUM PRODUCTION ON A LIMITED  
SCALE. IN ANY EVENT, THE GOI WAS UNABLE TO INCREASE THE AREA  
UNDER CULTIVATION QUICKLY WITHOUT BADLY STRAINING THEIR CONTROL  
SYSTEM  
MOYNIHAN

UNQUOTE KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OPIUM, AGRICULTURAL PRODUCTION, DRUG CONTROL, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAR 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE056532  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HRWELLMAN  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740060-1084  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740325/aaaaaxox.tel  
**Line Count:** 128  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN SNM  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** STATE 051191  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAR 2002 by collinp0>; APPROVED <04 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NARCITICS: INDIAN OPIUM PRODUCTION (C-ER-4-57945)  
**TAGS:** SNAR, IN  
**To:** THE HAGUE MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005